

Review of Wolfgang Streeck (2021), *Zwischen Globalismus und Demokratie* [Between Globalism and Democracy]. Frankfurt a.M.: Suhrkamp.

## Home truths for small states

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Wolfgang Streeck's latest book consolidates his contribution to the establishment of a literary genre: the popular scientific op-ed in long form. If chosen by professors emeritus, it will end up in a book of hundreds of pages. The form of an op-ed allows him freedom regarding academic diligence. And the well-read and learned opinion can be formulated in such a way that it cannot be wrong, because the long form allows the author to assert one thing as well as its exact opposite.

Here is a brief summary of what Wolfgang Streeck says in this book: the nation state must regain the upper hand over unbounded and unleashed markets, as was still the case in the 'embedded liberalism' (Ruggie 1982) of the post-war period. But the cosmopolitan elites have lost interest in it and are making common cause with transnational companies. In their favor, they suppress the democratic will of ordinary people who would rather live in nationally cherished and protected small states. The social sciences and the media, especially in Germany, assist the political and economic elites in their business of oppression by denigrating the small-state, deeply democratic aspirations of the 'Staatsvolk' (state people) as backward and ridiculing them. So crude, so reproachful and also so lacking in originality.

Streeck's analyses are crude because they paint a Manichaean view of the world: globalists against populists, neoliberalism against democracy, market people against state people. The attackers are always the first named: Evil versus, basically, Good. Basically because Streeck may have noted the inconvenient fact that democracy and ordinary people have repeatedly voted neoliberals into high office, above all Angela Merkel, his preferred *bête noire*. Even a friendly readership will not immediately see why nationalist populists should fall on the side of the good guys.<sup>1</sup>

In his determination to embrace radicalism in old age, Streeck expresses his sympathy for the populist impulse not to submit to the European 'unitary state' ordered from above or the 'imperial elite management' of the globalists. The professor's "*amor intellectualis* for the kitchen staff", as Adorno (1951) called it,<sup>2</sup> is inspired by the fact that these bad boys, ignored and disdained by good society, are the victims of the cultural and material hegemony of neoliberalism.

Here are just two examples: Streeck insinuates that the EU appoints and dismisses governments at will in order to keep the populists out of government. "There is no doubt that the interest of the governments and the public, especially in Germany and - to a lesser extent - in France, by whom the peripheral countries of the EU are governed, goes far beyond what would be appropriate if their national sovereignty were respected. [Footnote: The German press in particular, but also German politicians, have very clear ideas about who the citizens of other EU countries have to vote for - certainly not people like Orbán, Salvini, Tsipras, Le Pen, Mélenchon, Kaczyński.] Interventions in the formation of governments in lower-ranking member countries have long since become a matter of course." (p.340, own translation) Examples from Greece (Papademos) and Italy (Monti and all who followed him) follow. The fact that Tsipras won two elections and Salvini came to power in a coalition government with the anti-austerity movement Five-Star is then again interpreted as a victory for the democratic forces in the periphery over the empire in the center. How can that

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<sup>1</sup> See the brilliant review of Toozé (2016) for the anti-Semitic undertones of the distinction between *Marktvolk* and *Staatsvolk*.

<sup>2</sup> Aphorism 8 in *Minima Moralia*.

happen? Streeck leaves out of his account that Salvini's Lega and the five-star movement occupy seven ministerial posts in the 'expert government' of Mario Draghi, which was supposedly installed by the EU (p. 376). With such U-turns he never makes himself any objections, acknowledging that other plausible interpretations exist. For instance, that the not all that centrally governed EU does not even try to overthrow a government against the will of a parliamentary or popular majority, even though EU representatives let on who they would rather see in government.

Brexit is another example of Streeck's argument that the EU opponents are the real defenders of democracy. In one of the most interesting passages of the book, he analyses the complex British positions associated with Brexit, but also with remaining in the Union (Chapter II, Figure 14). He wants to show that Brexit speaks to Polanyi's still topical "question about the development potential of the European state system in the stalemate between conflicting tendencies towards political-economic centralization on the one hand and decentralization on the other hand" (p. 223, Google translation). And he immediately gives a foretaste of the answer: all the progressive hopes of those who want to remain in the EU are thwarted by attempts to "advance the EU's becoming a super-state by means of its militarization and thus [...] to decide the conflict between globalism and democracy in favor of the former and at the expense of the latter. The starting point for the discussion will be the current state of the EU as a German, French, German-Franco or Franco-German quasi-empire (Chapter IV). "(P. 223-4, own translation)

This then stylises Brexit as an opportunity for the democratic renewal of Europe: 'A new Europe could emerge in the wake of what Brexit triggered, notably the decline of the super-state in the European Union and of the overstretch of its disunited wannabe-hegemonic powers Germany and France, without this process requiring a programme or particular political skills: a new "Europe" as the unplanned result of the institutional and political inertia of its nation states on the one hand and the populist pressure from below on their governments on the other.' (p. 511, own translation) Members of the British Parliament would rub their eyes if they read this. Because Brexit Prime Minister Johnson unceremoniously suspended Parliament when it did not provide him with the necessary votes, illegally, as the highest court in the UK later found. He also purged the Tory party from all dissenting members, including former Attorney General Dominic Grieve, who lost his seat in the next election. Insisting on parliamentary control of the Brexit negotiations had been effectively declared high treason by the Brexit supporters and the sympathising media.

The reference to the allegedly unfair treatment they have received from the EU prevents Streeck from dealing directly with the authoritarian and corrupt traits of the populists. It would be more enlightening to characterise the worldview of the Hungarian Prime Minister, Viktor Orbán, or the founder of the Brexit movement, Nigel Farage, as a perverted form of neoliberal ideology: each for himself, all nations in competition with all, and success not as an alignment of the stars, but merit. Streeck does not consider that both of them were and are sponsored by like-minded economic oligarchs or libertarian hedge fund managers, respectively. True, the Orbáns and Farages of this world are unpopular with most capitalist firms, presumably because they are unpredictable political figures. That makes the populists enemies of Streeck's enemies, that is, his friends. They are united by a Manichean worldview of those up there and us down here (p. 22). But, and this is what Adorno's characterisation aims at, Streeck is really not one of them; he only comes for pleasure.

This book will certainly scandalise Jürgen Habermas. Over long passages he seems to be the actual target of Streeck's angry remarks. Understandably, Streeck does not want to make his fixation too obvious. So the usual suspects are rounded up. Anyone who has research interests in a post-national political order and shows critical sympathy for the project of European integration is under a

globalist delusion: "Brussels-conformist, programmatically non-skeptical European research" (p. 17, own translation).

Yet, there is always a different interpretation of the phenomena Wolfgang Streeck portrays. And this makes you recognise that his criticism is not original, but shared by the mainstream of European studies. For example, the analysis of the EU as an empire was carried out not only by Perry Anderson, whom Streeck cites, but also by the European scholar Jan Zielonka (2006), who thus expressed his hope for progress in integration and is therefore probably not mentioned.<sup>3</sup> Streeck also shares with European studies and its criticism of every aspect that the explanation for the EU's failure becomes over-determined, one loses track and wonders why on earth it still exists, despite all its weaknesses and susceptibility to crises.

A non-hierarchical state system, which Streeck hopes to emerge from the failure of the hyper-globalist EU project, can actually be seen anticipated in the European monetary union. It was founded because it was expected, optimistically, to be a "way out from below". While Streeck is referring to nationalism as this way out today, in the late 1980s it meant the unity of European states against the dominance of the USA. Because the experience of most European small and medium-sized states was precisely not that flexible exchange rates confer monetary sovereignty, as Streeck believes (p. 388). The dollar-based currency system of Bretton Woods was terminated by the US hegemon in 1971. From then on, small states either had to follow the inflationary US dollar with its large market or the D-mark as an anchor of stability, which, however, hampered growth. They experienced what Latin American economies have been experiencing since the 19th century, and of course that came as a shock to European politicians. To give up the D-Mark was therefore the great concession wrested from the Kohl government. The concession was great mainly because the mark had developed into a secondary reserve currency under the Bretton Woods system, conveniently without having to bear the responsibility of a primary reserve currency. But Streeck pretends that the introduction of the euro was an invention of Germany's imperial claims to power (p. 345-6). The Bundesbank's constant shouting against the common currency from the sidelines must have been part of a clever campaign to cover up the imperial power grab.

The euro is entirely compatible with the idea of progressive nationalism: integration in order to gain more room for manoeuvre at home. This, too, is something that has been said before: by the historian Alan Milward, who in his standard work spoke of the EU as the "European rescue of the nation-state". Milward (2000) did this from the same sober ("realistic") perspective of Streeck, with nation states as the unit of analysis. More room for manoeuvre because the German central bank was deprived of a monetary privilege that it had used to discipline the other member states. Or because, thanks to a cross-border payment system (TARGET), capital flight no longer has to lead to a sudden stop of capital flows for the affected region. At the same time, it is true that each member must now decide their policies with consideration of what the policies do to other members. This means, for example, that Ireland was not allowed to use the European System of Central Banks as an ATM for its ailing banks in 2010, thereby determining de facto the monetary policy of the ECB. The ECB threatened to turn off the tap on Ireland and forced the country into a troika programme. Although Streeck is not dealing with the case, in my opinion he would be right to say that the decision-making power over such an intervention should not be left to the ECB alone. But the

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<sup>3</sup> For Zielonka, the EU empire is, historically more insightful than Streeck, the opposite of a unitary state: „a polycentric system of government, multiple and overlapping jurisdictions, striking cultural and economic heterogeneity, fuzzy borders, and divided sovereignty.“ (announcement of the publisher)

principle of reciprocity on which it was based is not imperial, but that of a non-hierarchical, cooperative state system - just as he envisions it.

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